

### REMARKS

The present application was filed on September 15, 2005, with claims 1-40. The present application claims priority to PCT application US04/21846, filed July 9, 2004, and U.S. provisional application Serial No. 60/486,127, filed July 10, 2003. Claims 1-40 remain pending in the present application.

Claim 3 is objected to under 37 CFR 1.75(c) as allegedly being in improper dependent form.

Claim 36 is rejected under 35 U.S.C. §101 as being allegedly directed to non-statutory subject matter.

Claims 1-5, 7, 8, 13, 14, 16, 19, 27, 28 and 35-40 are rejected under 35 U.S.C. §102(b) as being anticipated by U.S. Patent No. 5,784,463 (hereinafter “Chen”).

Claims 6, 9-12, 15, 17, 18, 20-26 and 29-34 are each rejected under 35 U.S.C. §103(a) over Chen in view of one or more other cited references.

With regard to the 37 CFR 1.75(c) objection, Applicants respectfully submit that claim 3 is not of improper dependent form for failing to further limit the subject matter of a previous claim. Applicants respectfully submit that MPEP 608.01(n) provides that:

A dependent claim does not lack compliance with 35 U.S.C. 112, fourth paragraph, simply because there is a question as to (1) the significance of the further limitation added by the dependent claim, or (2) whether the further limitation in fact changes the scope of the dependent claim from that of the claim from which it depends. The test for a proper dependent claim under the fourth paragraph of 35 U.S.C. 112 is whether the dependent claim includes every limitation of the claim from which it depends. The test is not one of whether the claims differ in scope.

In the present case, claim 3 clearly includes every limitation of claim 1, and therefore is a proper dependent claim regardless of whether the further limitation recited in claim 3 in fact changes the scope of claim 3 from that of claim 1.

With regard to the §101 rejection, Applicants initially note that the present rejection appears to be based on a recent notice entitled “Subject Matter Eligibility of Computer Readable Media,” published at 1351 OG 212 (hereinafter “Notice”). The Notice deals with “a claim drawn to a computer readable [sic] medium,” rather than a machine readable storage medium. Indeed, Applicants note that the Federal Circuit recently allowed claims to “a storage medium

holding the resulting signals” while rejecting claims which “seek to cover the resulting encoded signals *themselves*.” *In re Nuijten*, 500 F.3d 1346, 1348, 84 USPQ2d 1495, 1498 (Fed. Cir. 2007) (emphasis in original).

Thus, even assuming *arguendo* that the one or more software programs themselves could be characterized as signals, the fact that claim 36 specifies that these instructions are contained in a storage medium renders the claim statutory. As such, the §101 rejection is improper and should be withdrawn.

Notwithstanding the forgoing traversal, claim 36 has been amended to recite a non-transitory machine-readable storage medium. Applicants respectfully note that “non-transitory” machine-readable storage media comprise all machine-readable storage, with the sole exception being a transitory, propagating signal. This amendment is not being made for reasons relating to patentability, as the claims in their originally-filed form are believed to be in full compliance with §101, but instead is being made solely in order to conform to a subjective preference of the Examiner so as to expedite the prosecution.

With regard to the §102 rejection, the Federal Circuit has recently reiterated that “unless a reference discloses within the four corners of the document not only all of the limitations claimed but also all of the limitations arranged or combined in the same way as recited in the claim, it cannot be said to prove prior invention of the thing claimed and, thus, cannot anticipate under 35 U.S.C. §102.” *Net MoneyIN Inc. v. VeriSign Inc.*, 545 F.3d 1359, 1369, 88 USPQ2d 1751, 1760 (Fed. Cir. 2008).

Applicants respectfully traverse on the ground that Chen fails to teach all of the limitations arranged or combined in the same way as recited in the independent claims. Notwithstanding this traversal, Applicants have amended the independent claims without prejudice solely in order to clarify the claimed subject matter. More particularly, claim 1 has been amended so as to specify that the recited second string is generated by a seed generation client responsive to receipt of a first string from a seed generation server. Support for this amendment may be found in the specification at, for example, page 5, lines 20-22; page 6, lines 8-11; and page 6, lines 22-30.

In formulating the rejection of claim 1 as previously presented, the Examiner argues that Chen’s client-generated first portion SSK1 of an authentication key is analogous to the recited second string and that Chen’s server-generated second portion SSK2 of the authentication key is

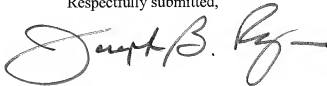
analogous to the recited first string. However, Chen at column 5, lines 3-10, expressly states that “[a]fter receiving the encrypted first portion SSK1 of the authentication key . . . the server . . . generates a second portion SSK2 of the authentication key,” with reference to step 150 in FIG. 3B. Thus, Chen not only fails to disclose the limitations of amended claim 1, but in fact teaches directly away therefrom.

Amended independent claims 35-40 include limitations similar to those of claim 1, and are believed allowable for reasons similar to those outlined above in the context of claim 1.

Dependent claims 2-34 are believed allowable at least by virtue of their dependence from claim 1, and are also believed to define separately-patentable subject matter. The additional references cited by the Examiner fail to supplement the fundamental deficiencies of the Chen reference as applied to claim 1.

In view of the foregoing, claims 1-40 are believed to be in condition for allowance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joseph B. Ryan", with a stylized flourish at the end.

Date: September 2, 2010

Joseph B. Ryan  
Attorney for Applicant(s)  
Reg. No. 37,922  
Ryan, Mason & Lewis, LLP  
90 Forest Avenue  
Locust Valley, NY 11560  
(516) 759-7517